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**Multi-year Expert Meeting on Investment, Innovation
and Entrepreneurship for Productive Capacity-Building
and Sustainable Development**

Fourth session

Geneva, 16–17 March 2016

**Report of the Multi-year Expert Meeting
on Investment, Innovation and Entrepreneurship
for Productive Capacity-building and Sustainable
Development on its fourth session**

Held at the Palais des Nations, Geneva, from 16 to 17 March 2016

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Introduction

1. The fourth session of the Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development was held at the Palais des Nations in Geneva, Switzerland from 16 to 17 March 2016. In line with the terms of reference established by the Trade and Development Board at its fifty-sixth executive session in 2012, the theme was as follows: “The fourth session of the expert meeting will bring together the findings of the three preceding meetings, with a view towards refining UNCTAD’s Investment Policy Framework for Sustainable Development, the Entrepreneurship Policy Framework and the Science, Technology and Innovation Policy Framework”.

2. The experts elaborated on, and added to, the following two key issues identified by the secretariat: taking stock of international investment agreement (IIA) reform; and entrepreneurship for productive capacity-building. The experts shared experiences with regard to the implementation of the three policy frameworks and highlighted other areas of concern and for future consideration. The meeting brought together over 100 experts, including policymakers and Geneva-based delegates, from 51 member States, 15 international organizations and six non-governmental organizations, as well as representatives from the private sector and academia. In addition, some 80 experts joined the meeting via webconference during the first and second informal sessions.

I. Chair’s summary

A. Opening statements

3. The Secretary-General in his opening statement stated that the expert meeting would serve as a preparatory step to the fourteenth session of the United Nations Conference on Trade and Development (UNCTAD XIV), and presented the main contributions of three UNCTAD policy frameworks towards achieving the Sustainable Development Goals.

4. With regard to the Investment Policy Framework for Sustainable Development, the Secretary-General noted that States and stakeholders were the main drivers of IIA reform. To assist in these efforts, UNCTAD had developed the policy framework and a road map for IIA reform. The Secretary-General noted that new IIAs increasingly contained sustainable development-friendly language, which provided evidence of IIA reform in line with today’s sustainable development imperative.

5. A concerted effort was required to ensure the mutually reinforcing impact of the Sustainable Development Goals and the entrepreneurship agenda. Governments, in partnership with other stakeholders, needed to create long-term strategies, enabling policies and capacity-building projects for stimulating entrepreneurship and development programmes for micro, small and medium-sized enterprises (SMEs). The Entrepreneurship Policy Framework, developed and implemented by UNCTAD since 2012, advocated a comprehensive approach to assisting policymakers in identifying, formulating and applying policy measures to support entrepreneurship that corresponded to national priorities and facilitated the transition to a more dynamic, sustainable and inclusive economy. With regard to capacity-building, specific efforts were needed to assist Governments and other stakeholders in facilitating the development of entrepreneurship skills and the capacity of local micro enterprises and SMEs to integrate into global value chains in a developmentally gainful manner. The flagship UNCTAD programme Empretec helped achieve such objectives. The biennial Empretec Women in Business Awards initiative

highlighted the work of successful women entrepreneurs who had risen through the Empretec ranks. The 2016 Awards, to be held during UNCTAD XIV, would showcase the impact of Empretec on women's empowerment.

6. Turning to science, technology and innovation (STI), the Secretary-General emphasized the critical role played by effective STI policies in achieving economic growth and development, and stressed that the ability to effectively apply knowledge to production was becoming increasingly important for stimulating a process of structural change in the economy. UNCTAD had advocated mainstreaming STI into the post-2015 development agenda and was committed to playing an active role in the technology facilitation mechanism, an important element of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development and the 2030 Agenda for Sustainable Development. In considering the policy frameworks that could support the development of national technology and innovation capabilities, there were two related issues to keep in mind. First, innovation by firms generally did not take place in isolation, but was created in systems or networks and, consequently, policies were needed to strengthen such systems. Second, as STI policy was cross-cutting, it needed to involve different actors in different industries, as well as many Government departments. Coherence and coordination were therefore key. Such an approach provided principles that could guide the design of effective policy frameworks for managing innovation, yet there remained diverse possibilities for organizing policy design and implementation. The Secretary-General noted that the meeting could identify additional lessons in this regard, and continue the sharing of national experiences in the design and implementation of STI policy frameworks.

7. Introducing item 3 of the agenda, the Director of the Division on Investment and Enterprise emphasized that, in light of financing needs for the Sustainable Development Goals, it was important to formulate a new generation of investment policies that mobilized investment and channelled it to key sustainable development sectors. The Director noted that it was timely to take stock of ongoing global efforts to reform the IIA regime, since the topic was high on the policymaking agendas of countries around the world. This was reflected in the Addis Ababa Action Agenda, which stated that Member States of the United Nations would "endeavour to craft trade and investment agreements with appropriate safeguards so as not to constrain domestic policies and regulation in the public interest" and requested UNCTAD to continue its programme of meetings and consultations on investment agreements (paragraph 91).

8. The Director presented the key findings of UNCTAD research on recent trends in international investment policymaking and IIA reform. The current IIA regime consisted of over 3,280 treaties (close to 2,930 bilateral investment treaties (BITs) and over 350 economic agreements with investment provisions (other IIAs)). In 2015, 24 new IIAs had been concluded (10 BITs and 14 other IIAs). For the first time, the annual number of other IIAs had surpassed the annual number of BITs, confirming that countries were increasingly adopting an integrated approach to trade and investment issues.

9. IIAs had attracted a considerable amount of public attention as a result of a number of systemic issues. Such attention had intensified in recent years, particularly on the negotiations of megaregional agreements, such as the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership. The Director specified that investor-State dispute settlement (ISDS) was arguably the most controversial issue in this debate. In 2015, the number of ISDS cases had reached a record high, with 70 known ISDS cases pursuant to IIAs. By 1 January 2016, the total number of publicly known investor-State arbitrations had reached close to 700. Across the globe, 107 countries had been respondents to one or more known ISDS claims.

10. The Director noted that preliminary stocktaking of IIA reform had shown efforts towards a more sustainable development-friendly IIA regime being undertaken at all levels of governance. At least 110 countries had been engaged in IIA reform at different levels since the launch of the Investment Policy Framework in 2012. While significant progress had been made, much remained to be done. To assist countries in their efforts, UNCTAD had developed a road map for IIA reform that provided six overall guidelines, addressing reform actions at the national, bilateral, regional and multilateral levels of policymaking and covering the following five main areas: safeguarding the right to regulate while providing protection; ensuring responsible investment; improving investment dispute settlement; promoting and facilitating investment; and enhancing systemic consistency.

11. The Director concluded his statement by emphasizing that only a common approach at all levels (national, bilateral, regional and multilateral) could deliver an IIA regime in which stability, clarity and predictability helped achieve the objective of all stakeholders to effectively harness international investment relations for the pursuit of sustainable development. He reaffirmed that UNCTAD was ready to provide the investment and development community with the necessary support in this regard, highlighting the long-standing experience of UNCTAD with its work programme on IIAs. He invited the investment and development community to participate in the IIA Conference to be held on 19 July as part of the 2016 World Investment Forum and UNCTAD XIV, as it would provide the next occasion to bring a new level of consensus to worldwide IIA reform.

B. Investment, innovation and entrepreneurship for productive capacity-building and sustainable development

(Agenda item 3)

1. Taking stock of international investment agreement reform

International investment agreement reform at different levels of governance

12. The first and second informal sessions were focused on IIA reform. Experts shared experiences in ongoing efforts to reform the IIA regime from country, regional and stakeholder perspectives. They detailed their approaches to IIA reform, progress achieved to date and challenges faced. Most of the experts agreed that IIA reform was under way and that whether or not to reform was therefore no longer in question. They shared the view that there was a pressing need for systematic reform of the IIA regime to bring it in line with today's sustainable development imperative and the Sustainable Development Goals.

National and bilateral levels

13. With regard to national-level progress on reform, many delegates stated that their Governments had recently reviewed their IIA networks, adopted new model BITs or revised previous models. Several had started such review processes. Many experts noted that the contents of new models drew on the Investment Policy Framework and matched policy options in the UNCTAD road map. Several delegates also cited the model international agreement on investment for sustainable development of the International Institute for Sustainable Development, policy tools of the Organization for Economic Cooperation and Development and new approach of the European Union as reference points. Some experts discussed how new IIA models and recent treaties differed in the extent to which they included reform elements, and noted the variety of IIA reform approaches.

14. Many delegates shared experiences of country efforts to analyse existing IIAs, including with a view to amending, renegotiating or discontinuing them. A few delegates expressed their appreciation for assistance from UNCTAD in analysing the substantive

contents of their IIAs and providing action-oriented policy recommendations for the reform of existing treaties to make them more sustainable development-oriented. Several delegates noted their Governments' intentions to renegotiate some of their treaties, while a few noted decisions to terminate treaties as part of their IIA reviews and the development of new approaches. Many delegates noted that their reform approaches responded to or incorporated lessons learned from treaty-based investor-State arbitration.

15. The importance of stakeholder engagement in IIA reform processes was discussed. Several delegates noted that consultations with investment stakeholders, including in the private sector, civil society, local communities and academia, were crucial in reaching consensus on the main objectives of investment policymaking, including the general approach to IIAs, the contents of model treaties and future IIAs.

16. In terms of content, most of the new model IIAs described and the recently concluded treaties contained some or all of the following elements, which indicated the growing presence of sustainable development-friendly features in IIAs: references to sustainable development objectives and provisions on environmental and social issues or corporate social responsibility; safeguards for the right to regulate, including exceptions for public policies or balance-of-payments crises; a clarified definition of investment and IIA standards of treatment, such as fair and equitable treatment, most-favoured nation treatment and indirect expropriation; and improved investment dispute settlement provisions, including elements aimed at reducing exposure to investment arbitration or at increasing transparency. In addition, some delegates highlighted the inclusion of a denial of benefits clause, omission of an umbrella clause and the replacement of fair and equitable treatment. A few experts expressed concern that vaguely worded public policy exceptions and corporate social responsibility provisions could dilute the protective value of IIAs.

17. Several experts considered it important to look into mechanisms for the early resolution of disputes, such as alternative dispute resolution and mediation, an early alert mechanism for claims and the prevention of claims. They suggested that further research and policy guidance be focused on these issues. Several experts stated that provisions for the early dismissal of claims without legal merit would be useful. A few delegates noted that their Governments had addressed parallel proceedings in new treaties and stated that the issue raised some concerns. In addition, a few experts noted the inclusion of provisions allowing State counterclaims. One delegate stated that his Government did not include ISDS in treaties and another delegate noted that ISDS was included in some but not all treaties. ISDS tribunals might reach different interpretations; a few delegates noted that this was not a concern, as cases arose from different treaties and circumstances.

18. Some experts were of the view that investment dispute settlement should provide access to stakeholders affected by investments. Several experts highlighted the need for investment policymaking to take into account human rights obligations and the shared responsibilities of different actors, including States and investors. They recalled the duty of States to regulate under the United Nations Guiding Principles on Business and Human Rights and the principle of access to remedy. One expert expressed serious concerns with regard to the negative impacts that foreign investment could have on the rights of indigenous peoples.

19. The experts highlighted the need to balance investor protection and public interests and, at the same time, many considered this challenging. Many delegates stressed that approaches to IIAs should be in line with national development strategies.

20. Many experts noted that, overall, the recent treaties and model revisions demonstrated State intentions to move towards more balanced investment for sustainable development models rather than solely focusing on investment protection. A few experts cited the cooperation and investment facilitation agreement model of Brazil as an example of an alternative to protection (only) models.

21. Many experts considered IIAs as an important tool to protect and attract foreign direct investment. Several experts added that IIAs should provide strong investment protection and investment dispute settlement. Some experts noted, however, that there was no clear evidence of a relationship between IIAs and foreign direct investment, and deemed other factors and policy tools more important.

22. In discussing the need for more effective rules to promote investment for sustainable development and financing for the Sustainable Development Goals, several experts emphasized the importance of ensuring a sound investment climate. In this context, investment facilitation measures to reduce the costs of doing business and ease administrative hurdles and business visa procedures were cited. A few experts noted that investment promotion agencies played an important role in this regard. At the same time, as highlighted by some experts, it was important to include more investment promotion provisions in IIAs. A few delegates reported that their Governments had recently adopted or would soon adopt new laws to improve the business climate for foreign and domestic investors.

Regional level

23. The experts discussed the interaction between reform efforts at national and regional levels. A few delegates questioned whether the diverse reform efforts risked increasing the fragmentation of the IIA regime and inquired about the steps that could be taken to increase coherence at a regional or global level. Several experts shared experiences in the development of region-wide investment treaty models or approaches, noting the new approach of the European Union to investment as well as models and treaties being developed at the regional level, including by the Caribbean Community and Common Market, Common Market for Eastern and Southern Africa, East African Community and Southern African Development Community.

24. With regard to reform steps taken at the level of the European Union, many delegates supported the idea of establishing a new investment tribunal system, which would consist of a first instance tribunal and an appeals tribunal, with members appointed by contracting parties. Many delegates referred to the European Union–Viet Nam free trade agreement and the comprehensive economic and trade agreement between Canada and the European Union, which incorporated this new approach. It was also noted that the new approach of the European Union corresponded largely with the actions detailed in the Investment Policy Framework and road map. Some experts expressed concerns about the investment court or tribunal system envisioned by the European Union. One delegate suggested that a new international convention setting up a permanent court might be more appropriate, for example to better involve countries not members of the European Union.

25. Some experts discussed the content of the Trans-Pacific Partnership. While a few delegates were of the view that it contained improved language on core IIA standards, one expert suggested that it could be described as an investment protection agreement with a wide scope and without appropriate safeguards for the right to regulate. References were also made to the Transatlantic Trade and Investment Partnership negotiations.

Multilateral level

26. The experts then turned to progress at the multilateral level, discussing the Rules on Transparency in Treaty-based Investor–State Arbitration developed by the United Nations Commission on International Trade Law and the related Convention on Transparency in Treaty-based Investor–State Arbitration (Mauritius Convention on Transparency). A few delegates noted that their Governments had signed the Convention and one delegate declared that her Government was considering whether to adopt the Convention.

27. Many experts requested UNCTAD to continue its work on IIA reform, and highlighted its role as an inclusive, multilateral platform for sharing experiences of IIA reform issues. In this context, many experts referred to the Investment Policy Framework and road map as important and useful policy tools for the pursuit of a more balanced international investment regime. In addition, several delegates requested UNCTAD to continue to strengthen its technical assistance and capacity-building activities related to IIA reform for sustainable development.

28. In his closing remarks, the Director of the Division on Investment and Enterprise noted that the experts' discussion showed that reform efforts were taking place at all levels of policymaking. A global consensus existed to make the existing regime more sustainable development-friendly and to balance investment protection and the right to regulate. He suggested that a holistic approach and concerted efforts were needed and that UNCTAD, together with other international organizations, would provide a platform to foster a common vision on the future direction of the IIA regime. He urged more proactive investment promotion and facilitation to achieve the Sustainable Development Goals. The next step would be to translate action plans into practice. In closing, the Director emphasized the benefits of the innovative format of the expert meeting, which had allowed participants from all over the world to join the discussion via webconference.

2. Science, technology and innovation policy frameworks for productive capacity-building and sustainable development

29. Opening the third informal session, the secretariat outlined the evolution of UNCTAD work on STI policy. The issue of technology had been part of the UNCTAD mandate since its establishment in 1964, and UNCTAD was the focal point in the United Nations system for the integrated treatment of trade and development and related issues of finance, investment and technology. The original focus in the 1960s and 1970s had been on access to technology and had shifted in the 1980s to building domestic capacity for technology transfer, then extended since the 1990s to supporting the development of national systems of innovation. These shifts had reflected the increasingly liberalized international economic environment and the need to build technological capabilities in order to be internationally competitive. Currently, there was a need for another shift, to make STI central to development policy in the context of the post-2015 development agenda and the Sustainable Development Goals, which recognized the need to hugely scale up the application of STI. There was also a need to identify – in the move from agreement on the Goals to their implementation – how UNCTAD could help developing countries meet the Goals, through its three pillars of activity, namely research and analysis, intergovernmental consensus building and technical assistance.

30. An international expert in innovation policies emphasized that, as innovation policy was cross-cutting and touched on the work of many ministries, there should be an effective framework for achieving a coordinated approach to designing and implementing STI policies. There were many different ways of achieving this; examples from Chile (an agency approach), Finland (a centrally coordinated approach), Japan (a local approach), Morocco (a sector-based approach) and the Republic of Korea (a global approach) illustrated different methods. A country could be very interventionist or less interventionist; regardless, there were important roles that a Government had to play. Government ministries often acted in silos, and this had to be overcome in order to achieve cooperation and coordination. The design and implementation of innovation policy frameworks required a number of capacities, including knowing what to do and having the capacity to act, which involved having the necessary institutional space, providing policy continuity and being able to overcome silo issues. Overall, it was important to realize that policy learning took place through practice, experimentation and learning by doing.

31. A Deputy of the Vice-Presidency for Science and Technology of the Islamic Republic of Iran discussed the evolution of his Government's policy and institutional framework and industrial strategy. The national innovation system had also evolved, as had the policy strategy and framework, which had moved from an inward-oriented import substitution approach towards a more outward-oriented exports approach, throughout the course of five national development plans since the 1980s. The STI policy framework remained relatively complex, yet there had been important efforts made to achieve coordination and coherence across ministries. Currently, the State had a diversified economy, and faced three sets of challenges. First, in human resources development and deployment, given high unemployment rates, a brain drain and a skills mismatch. Second, in insufficient infrastructure and technology diffusion; this resulted from low levels of foreign direct investment, royalty payments and receipts, and from technology transfer flows mostly based on the acquisition of machinery, equipment and licences, with few international joint ventures and strategic alliances. Third, in low levels of investment in research and development, particularly by the private sector, and weak research and industry linkages. The State had nevertheless managed to improve its performance, increasing innovation in some industries and the number of new technology-based firms.

32. The chief executive officer of an innovation hub in Ethiopia highlighted the need of private sector entrepreneurs for functioning innovation policy frameworks and ecosystems that supported innovation. He stressed the importance of national innovation policies focused on addressing local problems with local solutions. The most basic ingredients necessary for entrepreneurship to thrive in a country were the presence of talent and support from effective innovation ecosystems, which required strong institutions (able to provide adequate levels of competition and intellectual property protection), infrastructure, an innovation and entrepreneurial culture, skilled human resources, flexible financing (especially seed capital) and markets for innovative goods and services.

33. During the ensuing discussion, a few experts addressed the issue of how to achieve cooperation and coordination across a Government. The approach in Finland was highlighted as a particularly good example of an effective policy framework for STI, as it brought together key Government actors and the private sector and academia; all stakeholders could thereby achieve a common understanding of what innovation entailed and how STI policy could be effectively used, and this could become central to the State's development policy. However, there were many possibilities for organizing policy design and implementation, and the type of policy framework best suited to a particular State depended inter alia on local circumstances, national institutional arrangements, the prevailing administrative culture and the broader culture in the country. Solutions needed to fit the local context, and experimentation and policy learning were both necessary. Finally, there needed to be entrepreneurs and creative, innovative people and firms to take advantage of the benefits that an effective policy framework created, in order for innovation to flourish.

34. One delegate queried how best to achieve more inclusive growth and development, and the contribution that inclusive innovation could make, for example, in bridging the rural-urban divide. A few experts emphasized that, often, technological and cultural changes needed to take place together, to improve prospects for women entrepreneurs and address challenges faced by women. In some societies, innovative solutions had been developed to help women find work through computer applications, for example in the Middle East. The gender dimension of STI policy was important and needed to receive more attention. In addition, new digital technologies could improve the scope for economic activities in rural areas without the need for expensive physical infrastructure. One delegate emphasized that developing countries had become mainly consumers of new information and communications technologies and needed to become more active as producers of new technologies, at least through applications aimed at meeting local needs. In developing

electronic commerce and new information and communications technologies applications, intellectual property protection and data protection to build trust in electronic transactions were two key issues that needed to be addressed. Another delegate suggested that UNCTAD consider co-organizing workshops on inclusive innovation for African countries.

35. Two delegates cited the low levels of investment in research and development and innovation as important weaknesses in their States. A few experts stated that this was a common issue for many developing countries, yet innovation could sometimes be supported even with limited funds, with smart spending to achieve impacts at a low cost, for example by creating small innovation hubs such as those in some African countries (for example, Iceaddis in Ethiopia) and by focusing on removing obstacles to innovation. Another possibility was to use large infrastructure projects in a State to promote the introduction of new technologies and the development of innovative local firms through public procurement. The secretariat recalled previous recommendations for more donor funding to be allocated to technology and innovation in developing countries.

4. Entrepreneurship for productive capacity-building and sustainable development

36. During the fourth informal session, discussions focused on the interplay between entrepreneurship and productive capacity-building in developing countries, highlighting the role of entrepreneurship in creating job opportunities and engendering inclusive outcomes for disadvantaged groups, including the poor, women and youth, as well as persons with disabilities and those living in conflict areas. The link between enterprise and economic development had been recognized by the General Assembly of the United Nations in two resolutions in 2013 and 2014, which highlighted the important contribution entrepreneurship could make to sustainable development by creating jobs and driving economic growth and innovation. The resolutions had also recognized the many Governments that had prioritized entrepreneurship as a way to boost employment and growth in their policy responses to the global economic crisis.

37. The secretariat noted that targets 4.4 and 8.3 of the Sustainable Development Goals also specifically acknowledged entrepreneurship, viewed as an essential component of productive activities and job creation. The Goals also presented many other indirect opportunities for entrepreneurship to help resolve social and environmental problems, and provided an important new angle for contributions by the private sector in this regard, since considering business activities from the perspective of the Goals could create a win-win outcome for both business and sustainable and inclusive development. In this regard, the Entrepreneurship Policy Framework recommended that entrepreneurship policies be progressively aligned with the Sustainable Development Goals.

38. The meeting benefited from discussions of lessons learned in implementation of the Entrepreneurship Policy Framework in several States, including Cameroon and Ecuador.

39. The Minister of Small and Medium-Sized Enterprises, Social Economy and Handicrafts of Cameroon drew attention to the linkages between SMEs and the Sustainable Development Goals, noting that economic diversification depended on the development of SMEs, which were needed to make economic growth inclusive and the Goals achievable. Efforts to build local productive capacities had been accompanied by several technical cooperation initiatives, such as the installation of an Empretec centre and other assistance programmes targeting trade-related infrastructure improvement (such as at ports), youth entrepreneurship and SMEs in agricultural production and food processing. The Minister highlighted the important role of an institutional and legal infrastructure in supporting private sector development, as recommended by the Entrepreneurship Policy Framework. For example, the SMEs Bank had been created to facilitate access to finance, and public-private partnerships and dialogue had been supported by the establishment of the Cameroon Business Forum. In addition, the creation of a one-stop shop for business registration and

installation of an UNCTAD electronic registration system had been important instruments in stimulating enterprise formalization.

40. Two delegates reiterated the importance of business formalization. One delegate commended the work of Global Enterprise Registration (a joint initiative of UNCTAD, the Global Entrepreneurship Network and the United States of America Department of State, aimed at inspiring all Governments to move their business registration processes online by 2019 and make them as clear and simple as possible) and called for the inclusion of business formalization as a topic at future expert meetings. Access to finance was also cited as an important means to enhance the productive capacity of and innovation by SMEs, and included a variety of initiatives ranging from those involving micro credit to venture capital funds. A majority of enterprises did not survive; there was a need therefore for mechanisms to cushion the costs of entrepreneurial failure, such as through bankruptcy laws.

41. The Minister of Trade and Productivity of Ecuador highlighted the specific role of entrepreneurship in building productive capacities and facilitating the transformation of the production system. The economy of Ecuador was shifting from exports of commodity-based products such as cacao, tuna and shrimp to value-added products such as chocolate and canned fish. In this context, the development of the SMEs sector was instrumental to achieving economic diversification and social inclusiveness. Two important elements had been identified as best practices in the implementation of the Entrepreneurship Policy Framework. First, the involvement of the private sector in implementing entrepreneurship policy, in particular in the creation of a public-private partnership called Alliance for Entrepreneurship and Innovation. Second, the creation of a venture capital fund aimed at strengthening the competitiveness of SMEs and their participation in value chains. The Minister commended the work of Empretec in Ecuador, which operated in collaboration with ConQuito, a local entrepreneurship development centre.

42. The experts noted the increasing role of access to information, knowledge, entrepreneurship training (such as through Empretec) and specialized skills and networks in entrepreneurship development. One expert highlighted the role of the International Trade Centre in assisting SMEs in exporting, by helping them compete, connect and change, and stressed the importance of networks, defined as the set of relationships between a business and its suppliers and customers, in the internationalization of SMEs. The difficulties experienced by women entrepreneurs in accessing networks, leading to reduced access to finance and information, as well as social and economic prejudices, were highlighted in this regard. A recent research programme led by the University of the West of Scotland had documented that recognition and the removal of gender-based barriers was necessary for women to gain access to business development skills, markets and finance. UNCTAD had created the Women in Business Awards to raise awareness of the economic gender gap and support women's entrepreneurship. Finalists for the 2016 Awards had been announced, and the awards were scheduled to be presented on 21 July during UNCTAD XIV.

43. The discussion highlighted that sustainability challenges, along with insufficient access to technology and strict non-tariff measures, were among the main obstacles to the competitiveness of SMEs. Such barriers had to be overcome in order to achieve the upgrading of SMEs and the creation of business linkages between foreign investors and local suppliers of SMEs, to make entrepreneurship and investment policy complementary. One expert noted that for innovation to take place there needed to be an enabling environment that assured entrepreneurs they could obtain rewards in exchange for their efforts, as well as protection for their intellectual property and in the event of failure.

44. The experts presented examples of social and green business models aimed at reducing the costs of social exclusion and environmental damage. The work of the EspeRare Foundation was cited as an example; in collaboration with patient groups and other key stakeholders, the Foundation aimed at uncovering the potential of existing

pharmacotherapies to address severe unmet therapeutic needs in those suffering from rare diseases and followed a hybrid business model combining the Foundation's development goals with profit generation, thereby creating a win-win relationship between the corporate world and humanitarian organizations, with both seeking to foster sustainable social progress. One expert highlighted initiatives by the company Working Links – offering specialist services to support people around the world in achieving lasting employment, thereby creating better futures for themselves and their communities – to promote a shift from the social and economic exclusion of disadvantaged groups, including disabled persons, towards employability. Several experts recognized that entrepreneurship could make an important contribution to the achievement of the Sustainable Development Goals and to other social, economic and environmental outcomes. One delegate noted that social issues in particular made up a significant part of the United Nations agenda. One expert noted that entrepreneurship policy, due to its potential to enhance productive capacity, was complementary to investment policy, enhancing the benefits of foreign direct investment.

45. The experts reasserted that Governments and development partners should identify the key challenges facing entrepreneurs, develop entrepreneurship policies in a holistic way and monitor their implementation and impact to support enterprise development.

II. Organizational matters

A. Election of officers

(Agenda item 1)

46. At its opening plenary, on 16 March 2016, the multi-year expert meeting elected Mr. John O'Neill (Canada) as its Chair and Mr. Muhammad Mustaqeem De Gama (South Africa) as its Vice-Chair-cum-Rapporteur.

B. Adoption of the agenda

(Agenda item 2)

47. Also at its opening plenary, the multi-year expert meeting adopted the provisional agenda for the meeting (contained in documents TD/B/C.II/MEM.4/10 and TD/B/C.II/MEM.4/10/Corr.1). The agenda was thus as follows:

1. Election of officers
2. Adoption of the agenda
3. Investment, innovation and entrepreneurship for productive capacity-building and sustainable development
4. Adoption of the report of the meeting

C. Outcome of the meeting

48. At its closing plenary, on 17 March 2016, the multi-year expert meeting agreed that the Chair should summarize the discussions.

D. Report of the meeting

(Agenda item 4)

49. Also at its closing plenary, the multi-year expert meeting authorized the Vice-Chair-cum-Rapporteur, under the authority of the Chair, to finalize the report after the conclusion of the meeting.

Annex

Attendance¹

1. Representatives from the following States members of UNCTAD attended the multi-year expert meeting:

Algeria	Madagascar
Argentina	Mauritius
Australia	Mexico
Bahamas	Mongolia
Bolivia (Plurinational State of)	Nepal
Bosnia and Herzegovina	Netherlands
Brazil	Norway
Cameroon	Oman
Canada	Pakistan
Central African Republic	Peru
Côte d'Ivoire	Philippines
Croatia	Poland
Cuba	Saudi Arabia
Dominican Republic	Serbia
Ecuador	Slovakia
Egypt	Spain
Finland	Sweden
France	Switzerland
Ghana	Thailand
Greece	Turkey
Iran (Islamic Republic of)	Ukraine
Italy	United Arab Emirates
Japan	United Republic of Tanzania
Kenya	United States of America
Kuwait	Zambia

2. The following intergovernmental organizations were represented at the multi-year expert meeting:

Common Market for Eastern and Southern Africa
 European Union
 Organisation internationale de la francophonie
 Organization for Economic Cooperation and Development
 Organization of Islamic Cooperation
 Pacific Islands Forum Secretariat
 Southern African Customs Union

3. The following United Nations organs, bodies and programmes were represented at the multi-year expert meeting:

Economic Commission for Europe
 International Trade Centre

¹ This attendance list contains registered participants. For the list of participants, see TD/B/C.II/MEM.4/INF.4.

4. The following specialized agencies and related organizations were represented at the multi-year expert meeting:

International Labour Organization
United Nations Industrial Development Organization
World Tourism Organization

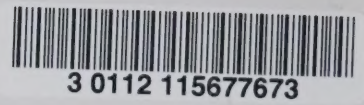
5. The following non-governmental organizations were represented at the multi-year expert meeting:

General category

Al-Jawf Women Organization for Development
International Centre for Trade and Sustainable Development
International Chamber of Commerce
International Institute for Sustainable Development
Women Watch Bangladesh

Special category

World Association of Investment Promotion Agencies



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